

**GOVERNMENT OF THE VIRGIN ISLANDS
OF THE UNITED STATES**

Public Services Commission

In re

THE VIRGIN ISLANDS WATER AND POWER)	Docket No. 678
AUTHORITY PETITION FOR BASE RATE CASE FOR)	Order No. <u>17</u> /2022
THE ELECTRIC DEPARTMENT)	
<hr/>		

ORDER

WHEREAS, in Public Services Commission (“Commission” or “PSC”) Order No. 25/2015, the Commission permitted the recovery of the originally contracted infrastructure amount of \$87M (at \$2.48M/month) for a period of five years, and the original operations and maintenance (“O&M”) costs of \$5M per year; and

WHEREAS the rates implementing that authorization went into effect on March 1, 2017; and

WHEREAS, in PSC Order No. 23/2020, the Commission reiterated that “[t]he base rate proceedings completed no further investigation of, and may not be used in any manner, to imply new approvals regarding the previously approved amount of Vitol infrastructure charges which may be recovered by the utility. The amount of Vitol infrastructure charges authorized for recovery in base rates remains \$87 million, pending further investigation”; and

WHEREAS, on January 28, 2022, the Commission met in regular session and addressed the published agenda, including the Vitol Infrastructure charge within the Base Rates authorized; and

WHEREAS, Commission staff and the Water and Power Authority concurred that the amount currently included in rates for the infrastructure component of the Vitol authorization was \$0.050121/kWh; and

WHEREAS, after discussion, no extension of the recovery was authorized and the Water and Power Authority was directed to file new tariff sheets showing a reduction in the Base Rates in the appropriate amount; and

WHEREAS, the Commission also considered the removal of the Leased Generation Surcharges which had been included in Base Rates since their adoption in 2017; and

WHEREAS, the Commission determined that the issue of the Leased Generation should be considered in conjunction with the annual Base Rate review in May and June of 2022;

NOW THEREFORE, the Commission finds and **ORDERS** that:

1. The Authority shall file new tariffs to be effective March 1, 2022, which remove the charge of \$0.050121/kWh from Base Rates.
2. The authorization for the recovery of the O&M costs did not contain a five-year limitation and is unaffected.
3. That PSC Staff shall address the Leased Generation expenses and rate charges for Units 25, 26 and 27 on St. Thomas and the Aggreko units on St. Croix in the Rate Path/Flow reports and submissions for this year's review.

So Ordered.

For the Commission,



David W. Hughes, Chair

Date: **March 14, 2022**